

1 of North Carolina to have this hearing. But the fact
2 remains you're here and we are grateful for this
3 opportunity.

4 CHAIRMAN POWELL: Thank you very much and thank
5 you for the patience to get through everyone who wanted to
6 speak. We did chew heavily into the time. I would propose
7 that we take just a two minute break; some of us must take a
8 two minute break, and we'll start again sharp.

9 I propose that we start no later than 8:30 and
10 give the panelists who have waited patiently an opportunity
11 to finish, and hopefully we'll be done by 8:50, 8:55 and
12 that will give us plenty of time. Thank you very much and
13 we'll take a quick break.

14 (Short recess.)

15 CHAIRMAN POWELL: If we could get started, please.
16 We'd like to start our second panel, and because we did eat
17 through a lot of time, there are people who need to catch
18 flights this evening. So we want to get through it, and
19 just to announce to the audience, there will be some FCC
20 staff, and I think my colleague, Commissioner Copps, is
21 going to stay, will be staying the night and will answer
22 further questions, so you will have another opportunity to
23 speak.

24 So with that I have the pleasure of starting the
25 second panel with Ms. Terri Avery and I just ask you begin,

1 please.

2 MS. AVERY: Good evening. I'm Terri Avery, I've
3 been in the radio business for the last 25 years working in
4 several of the nation's major markets and now in Charlotte
5 with three stations here owned by Infinity Broadcasting, a
6 division of Viacom.

7 As operations manager and program director, I'm
8 responsible for everything you hear on WPEG, WBAV and WGIV.
9 I have the final say over the programming, the music, the
10 on-air talent, the station imaging, and the commercial
11 production. But I take input from the music director, the
12 marketing director, the production director, the news and
13 public affairs directors and the on-air personalities at
14 each station. It truly takes a team effort to make our
15 stations sound great.

16 Our ratings just came in and the people of
17 Charlotte voted WPEG number one and WBAV number four in the
18 Charlotte-Mecklenburg area. And I have to tell you, if it
19 hadn't been for our communities, our African-American
20 communities, this would not have happened.

21 I don't have a big budget to spend on promotions,
22 so everything we do is because we super-serve our
23 communities. And let there be no mistake, our number one
24 goal is to serve Charlotte. Here are some specifics on how
25 we serve Charlotte and the surrounding communities.

1 WBAV is an urban music radio station and provides
2 live local, state and national news coverage each and every
3 weekday beginning at 5 A. M. on The Front Page with Beatrice
4 Thompson. Our hour-long program provides up-to-the-minute
5 coverage and news and information. And throughout the day
6 WBAV provides news updates. We also interrupt regular
7 programming for breaking news.

8 On Sundays we have Beatrice Thompson's Straight
9 Talk, a one-hour public affairs program featuring live
10 interviews and call-in opportunities for listeners on topics
11 ranging from healthcare to education.

12 WPEG is our mainstream urban-formatted music
13 station. Its programming addresses the needs of Charlotte
14 by dealing with topics such as racial issues, health and the
15 upcoming November elections and more. These issues are
16 tackled on Community Focus Live, a one-hour show hosted by
17 WPEG news director, Sheila Stewart, and airing on Sundays.

18 WPEG will interrupt regular programming to air
19 breaking news and emergency information as it did earlier
20 this year when the entire State of North Carolina suffered
21 through a horrible ice storm and thousands were without
22 power. We aired updates around the clock to let listeners
23 know where they could go for shelter and safety.

24 Localism doesn't just mean that we air news and
25 public affairs. WPEG has a specialty one-hour program

1 called Future Flavas which showcases local talent and new
2 artists in the industry. Local artists featured on that
3 program have included Low Key, and Infinique, who
4 incidentally has signed a record deal with Rico Wade of the
5 Dungeon family in Atlanta.

6 Our on-air personalities are part of the community
7 also. Our own Breakfast Brothas Morning Show do a series of
8 block parties in low-income neighborhoods. Janine Davis,
9 who is part of the Breakfast Brothas Morning Show, and yes,
10 there is a lady in the Breakfast Brothas Morning Show, she's
11 active in Girl Talk Foundation, a nonprofit group that
12 reaches out to girls in schools and the seminars talk about
13 abstinence and building self-esteem and image.

14 All in all, in conclusion our stations would not
15 be where they are without our African-American Communities.
16 We do countless events in our communities on a daily basis.
17 Thank you.

18 CHAIRMAN POWELL: Thank you very much. Next is
19 Mr. Jim Goodman, president and CEO of Capitol Broadcasting.
20 Mr. Goodman.

21 MR. GOODMAN: Thank you. I want to -- don't start
22 the clock. A personal privilege here for thirty seconds. I
23 don't like rude. And I think the person who spoke, while he
24 certainly did have his own opinion, was rude to Tift, and I
25 don't like that.

1 I don't know -- I can't find, maybe somebody else
2 can, anywhere in the Communications Act that it says that
3 we're -- that the goal for capitalism or free market is to
4 make all the money we can. I can't find it. The only thing
5 I can find is localism, competition and diversity.

6 And for somebody to say that his goal is to try to
7 keep the Viacom stations on the air, that's the funniest
8 thing I've ever heard. Those guys are doing fifty percent
9 profit margins and are doing just fine; they're the biggest
10 company. So I just had to respond to that and start the
11 clock.

12 (Applause.)

13 The questions -- your guys, Mr. Chairman, put
14 together some questions that we should think about for the
15 hearing, and I think they did a great job. They really did
16 a good job and I want to speak to one of those questions,
17 number six.

18 What if anything should the Commission do to
19 promote localism? Are existing market incentives sufficient
20 to ensure that broadcasters adequately meet the needs and
21 interests of their communities?

22 Well, in responding to that question I want to
23 talk about the two rulemakings that you all have before you.
24 One is the quarterly reporting rulemaking and the other is
25 the minimum public interest standard.

1 And what we did with the Gore Commission, quickly
2 is everybody agreed -- everybody in this room agrees,
3 everybody that knows agrees, every broadcaster agrees that
4 broadcasters should serve the public interest.

5 The Commission, the Gore Commission in looking at
6 that, we all agreed that there should be standards, that
7 there should be minimum standards. I mean, how can you
8 operate without standards? Now, we couldn't agree on what
9 the standards should be, but we agreed that there should be
10 minimum public interest standards and we proposed some very
11 broad ones.

12 And I hope you all looked at that rulemaking
13 because I think just the adoption of some standards will get
14 us all thinking about it, and will really improve localism.

15 The second thing is the truth is that we all need
16 to sit down and talk about this, because we all know --
17 everybody that -- I'm not suggesting that broadcasters serve
18 the public interest or don't serve it. I'm just saying that
19 there's no reporting systems that anybody knows. In
20 particular, the public doesn't know.

21 So that's why the Gore Commission proposed a new
22 quarterly reporting form that would give some more
23 information to the public about how the station is doing. I
24 am -- you've never heard me say that and you won't, that I
25 think our stations are better than anybody's. I'm not

1 saying good, bad or indifferent. I'm saying the truth is we
2 don't know.

3 There's no system by which any data is collected
4 to set any sort of standards in terms of serving the public
5 interest. And I hope -- I've read these -- I've learned
6 some -- I've got some ideas for our stations today from this
7 hearing. I hope these hearings don't hold up those
8 rulemakings.

9 We've got to get the minimum public interest
10 standards done, we've got to get rulemaking done. And, Mr.
11 Chairman, I can't ask -- I could, but I can't ask you for
12 must carry if I'm not committed to serving the public
13 interest. That's why I get it and you won't tell me what it
14 is.

15 Now, that's an oversimplification, but do you see
16 what I mean? The whole idea is we're supposed to serve the
17 public interest. Tell us what the minimum standards are,
18 you got a rulemaking, tell us what reporting is, you got a
19 rulemaking, and we can really roll and really get into a
20 discussion about what all this is.

21 When you were on the Commission I did this, so
22 this Gore Commission was five years ago. But I think this
23 makes sense. Minimum standards -- you know, show me an
24 industry without standards, and I'll show you an industry
25 without standards. I mean, I'm not saying that the

1 broadcasting industry is bad. I think there are great
2 broadcasters and I think they're doing a good job.

3 But we can't have this discussion in terms of
4 talking about how good we're doing if there's not some
5 reference point. I just really hope that we can get to
6 those two rulemakings soon. Thank you very much.

7 CHAIRMAN POWELL: Next we have Ms. Mary Klenz, Co-
8 president of the League of Women Voters of North Carolina.
9 Welcome.

10 MS. KLENZ: Welcome to Charlotte, Commissioners,
11 and Chairman Powell. I'm also the past president of the
12 Charlotte-Mecklenburg League of Women Voters, and I would
13 like to speak tonight to you about some of the concerns that
14 my organization have.

15 The League of Women Voters is very concerned with
16 the high cost of election campaigns, which is directly
17 related to the cost of TV advertising, and also concerned
18 with the decline in public affairs coverage and how these
19 factors relate to civic participation, like running for
20 office and voter turn out.

21 One billion dollars was spent on political TV
22 advertising in the 2002 election. That was 25 percent of
23 all the money spent in all the campaigns. Only 50 percent
24 of eligible North Carolina voters turned out in the 2000
25 election.

1 Meaningful political coverage has declined over
2 the last thirty years. Citizens get a majority of their
3 news from TV and radio, and that main source of information
4 is available only through political ads. That really does
5 our democracy a disservice. It becomes a self-perpetuating
6 spiral downward. Less information, less voting, less
7 information.

8 It is unfair that broadcasters charge such high
9 prices for political ads the closer it gets to election day.
10 The airwaves belong to the public. They use them at no
11 charge with the understanding that they will serve the
12 public good. The League of Women Voters believes that they
13 are not living up to their part of the bargain.

14 Broadcasters have an abundance of talent and
15 creativity at their disposal. The weather is interesting,
16 commercials are effective in getting a message out, and they
17 make outstanding use of graphics, color and design.

18 Why can't all that talent be directed to
19 programming that informs the public on issues, voting,
20 elections and who is running for office? Let me cite a few
21 examples of how effective TV can be when it becomes involved
22 in these issues.

23 The League used to be invited to answer viewer
24 questions on local TV stations during election time. I was
25 astonished at the number of calls we received; many times

1 over 200 calls within a two-hour period. Without exception
2 we couldn't begin to take all the calls. Regrettably that
3 practice was discontinued.

4 WTVI is our local PBS station and it is known for
5 its local programming. The League has partnered with them
6 on candidate debates for elections of city council, mayor,
7 county commission, school board and the three U.S. house
8 districts represented in our area.

9 I don't know of any other time when all local
10 candidates on the ballot in these local elections answered
11 questions before an area-wide TV audience. This is done
12 with volunteers working with WTVI and we continue to receive
13 positive feedback from both voters and candidates.

14 We are concerned that business concerns seem to
15 have overtaken -- seems to have taken precedence over the
16 public interest. You Commissioners have the job of figuring
17 out how to balance these concerns with the obligations that
18 broadcasters have to provide meaningful information to the
19 public about voting and elections. From everything lay
20 members report to us, they are not getting that now. Thank
21 you.

22 CHAIRMAN POWELL: Thank you. Mr. Rustin, the
23 Director of Government Relations, North Carolina Family
24 Policy Council.

25 MR. RUSTIN: Thank you, Chairman Powell and

1 Commissioners for holding these hearings and for providing
2 the North Carolina Family Policy Council the opportunity to
3 participate.

4 The responsiveness of radio and television
5 broadcasters to the needs and interests of local communities
6 and to the standards that define these communities are of
7 critical importance to the issue of localism.

8 While families across North Carolina and the
9 nation have an ever-increasing number of radio and
10 television programming options, this growth in choice does
11 not necessarily translate into higher levels of local
12 consumer satisfaction. In fact, we are hearing more
13 concerns from both parents and children about the offensive
14 and indecent content that pervades much of television and
15 radio programming and advertising today.

16 The growth in competition for market share appears
17 to be driving many to continually push the envelope of
18 content and decency. The current trend toward so-called
19 reality shows is a prime example. Although these shows may
20 not rise to the level of indecency, they are designed to
21 cater to the base interest of the viewer.

22 In North Carolina we are fortunate to have the
23 leadership of individuals like Jim Goodmon, whose CBS and
24 Fox affiliates preempted a number of these programs because
25 they demean marriage and family and run counter to local

1 community standards. If these stations were not locally
2 owned and operated, there is little doubt that these
3 programs would have been aired in the Raleigh-Durham area.

4 For this reason the North Carolina Family Policy
5 Council testified at an FCC field hearing on media
6 concentration in March in opposition to the proposed
7 increase in the national media ownership cap. We believe
8 that a station owner who resides in his or her own local
9 community is more likely to understand and respond to local
10 standards than someone making programming decisions from
11 hundreds or thousands of miles away.

12 Even communities fortunate enough to have some
13 responsive local broadcasters are still often overwhelmed by
14 indecent radio and television content. Consumers must have
15 a reliable system to address offensive and indecent
16 programming.

17 Because the viewing and listening public bears the
18 burden to prove the content and the context of reported
19 indecency, requiring local broadcasters to maintain and make
20 available several months of programming tapes or
21 transcripts, would aid citizens in their efforts to ensure
22 that community standards are being upheld.

23 In addition, consumers rely upon the FCC to ensure
24 that broadcasters are truly serving the public interest.
25 Strict enforcement of indecency and obscenity laws and

1 regulations are critical. We thank the FCC, for example,
2 for its recent action regarding indecent content on the Opie
3 and Anthony Show.

4 However, more swift and consistent enforcement
5 action, including higher-level fines and the initiation of
6 license revocation hearings, especially for repeat
7 offenders, would instill a higher level of public
8 confidence.

9 Localism at its core requires the involvement of
10 the local citizens. Providing a system of local programming
11 that is respectful of community standards, as well as a
12 realistic and responsive enforcement mechanism for
13 addressing indecency violations, will encourage citizens to
14 become more involved in local broadcasting and will help to
15 ensure the quality programming we all desire. Thank you.

16 CHAIRMAN POWELL: And finally Mr. Michael Ward,
17 General Manager of WNCN-TV.

18 MR. WARD: Good evening, Mr. Chairman,
19 Commissioners, Ladies and Gentlemen, Representative Price
20 and Representative Watt. My name is Michael Ward. I'm the
21 general manager of WNCN-TV, the NBC owned and operated
22 television station in Raleigh, Durham. That's right; I'm
23 one of the big guys that everybody has spoken unfortunately
24 about so badly about this evening.

25 I've spent more than a quarter century working in

1 television, starting out in my home state of South Dakota as
2 a photographer to my current position here as a key
3 decision-maker for NBC and its operation of its television
4 station in the Raleigh-Durham market.

5 Across that career I've worked many jobs at many
6 television stations and many different -- and for many
7 different kinds of owners, and I've learned one thing is
8 true about TV. Successful television stations, regardless
9 of who they're owned by, regardless of the money behind them
10 or the lack of money behind them, are successful for three
11 reasons: local involvement, local relevance and local
12 acceptance.

13 It doesn't matter where they go or whence they
14 came from. Without those three things embraced by the
15 television station, the station will die.

16 The recent ownership of our station is a good
17 example. Almost seven years ago WNCN was owned by a company
18 that provided paid programming, religious programming and
19 home shopping as it filled its air for its viewers. Since
20 NBC purchased the television station almost seven years ago
21 now, that low-cost cutting program strategy that did not
22 work has been replaced by a television station committed to
23 local relevance, local involvement and a gain of local
24 acceptance.

25 A few of the things that we've done during that

1 time, of course, is add about sixty percent more local news
2 than was available before we came. We've added a half hour
3 public relations or public affairs shows. We've set a set
4 standard of public affairs announcements, public service
5 announcements on our air.

6 We've produced a number of programs for various
7 charitable and service organizations across the state. We
8 produce an annual show for the NAACP; we produce an annual
9 live ecumenical church service from downtown Raleigh on
10 Easter morning. We produce a weekly half hour local artist-
11 oriented music show featuring club artists in Chapel Hill,
12 Durham and Raleigh.

13 We broadcast countless specials, we provide
14 realtime closed captioning of every special news event that
15 we do, and most recently preempted prime time programming
16 for two live mayoral debates for the local mayoral race of
17 interest in our market.

18 We produce healthcare, blood drives, breast cancer
19 research drives and on and on and on. But perhaps most
20 importantly we require that every one of our department
21 heads and employees participates actively on a church board,
22 a local service board, charitable institution board, because
23 it's their personal conduit to our community that counts the
24 most in the actions that we take.

25 What's happened because of this? We're doing a

1 lot better businesswise. And the reason I come to speak to
2 you tonight is to tell you that local service is good
3 business. It's practiced by most all, if not every single
4 broadcaster in the State of North Carolina associated with
5 the State's Broadcaster's Association, it's practiced by NBC
6 and its owned and operated television stations, both English
7 language and Spanish language.

8 Commissioners and Mr. Chairman, I'm proud to tell
9 you that the rules as they exist right now for the support
10 and development of localism work and we're a shining example
11 of the reason why.

12 Thank you for your time and I welcome your
13 questions.

14 CHAIRMAN POWELL: I'm going to tell you, the hour
15 has gotten late and we've cut into the questions because of
16 extending the open mike. I will present one and I think
17 we're going to wrap it up and let anyone who wants to speak
18 with Commissioner Copps of our staff, do so. I'm just going
19 to direct this to Mr. Goodman.

20 I found it interesting I got an E-mail from a
21 member of this Charlotte community. He says he wants to
22 register a complaint, and I don't know if this is your
23 station, WBTV, Channel 3 Charlotte.

24 This station is constantly preempting regular CBS
25 programming for local broadcasts such as St. Jude's. So far

1 this year they've preempted programming three times, then
2 they put the regular programming on at 2:30 in the morning.
3 I hate this.

4 I'm missing the ACC basketball, which is like
5 religion here.

6 (Laughter.)

7 CHAIRMAN POWELL: I guess that raises a question
8 that preemption is an important part of local programming,
9 but the consumers also have a desire to see some of the
10 programming that comes from the national audience and is
11 important to them as well.

12 Can you tell us a little bit about the thought
13 process of when to preempt and when you represent the view
14 of the community and how you do that?

15 MR. GOODMON: We're not WBT.

16 CHAIRMAN POWELL: I didn't think so.

17 MR. GOODMON: I wish we were.

18 (Laughter.)

19 MR. GOODMON: No, I don't. But it's interesting;
20 in Raleigh we are a CBS affiliate and we have ACC basketball
21 and we're sort of in a duplicate situation. I haven't found
22 that -- I mean, our preemption pattern is such that the
23 community is used to it. That is, they know we're going to
24 do ACC basketball. They're used to our preempting for
25 specials every now and then and they are also used to how we

1 handle it, which is we run it later at night.

2 Obviously there's some fans of a weekly show that
3 are disappointed when we preempt it for basketball, but I
4 really believe our preemptions are so predictable as WBT's
5 that it's not a problem.

6 Digital is going to help this a lot. For example,
7 we can run a couple of things. We can do basketball and CBS
8 on digital, and moving into digital is going to help us in a
9 lot of these areas.

10 COMMISSIONER COPPS: Can I ask a quick question on
11 preemption while we're on the subject, because this goes
12 more to community values and local values and I'm interested
13 --

14 CHAIRMAN POWELL: I don't mean to cut you off,
15 Commissioner. I just want to -- I also have to catch a
16 plane regrettably, and I just wanted to let you finish your
17 question, but to take the opportunity to thank the people of
18 Charlotte.

19 I found this a useful and important and meaningful
20 hearing. I appreciate your patience, I appreciate your
21 commitment, and I really think it's been a very valuable
22 exercise.

23 On behalf of myself and the staff at the Federal
24 Communications Commission, I applaud you and thank you for
25 your efforts and enjoyed your hospitality. Thank you very

1 much.

2 COMMISSIONER COPPS: I'm interested in kind of the
3 decision-making process. I know, Mr. Ward, you run an
4 owned-and-operated station. How many programs have you
5 preempted in the period of the last year because of your
6 feeling that perhaps they were contrary to the values and
7 sensibilities of your community?

8 MR. WARD: I have not preempted based on my
9 sensibilities of the community and its values. We've
10 preempted for news specials, we've preempted for local
11 events that we felt overrode the importance of what the
12 network offered or the other programming we had available.

13 COMMISSIONER COPPS: Let me ask Mr. Goodman that. Have
14 you felt the need to overrule what the network fare was for
15 your community?

16 MR. GOODMAN: Yeah, we -- yes, sir, and it had --
17 yes; the answer is yes. I mean, we just decided rightly or
18 wrongly, just we decided that we're not going to make fun of
19 marriage. And we can't clean up television; there's all
20 kind of violent stuff all over television, and we just said
21 there's a line here and if people are going to meet each
22 other, then get married ten minutes later and fly off
23 together, and we're not going to do that.

24 And we just did that and I appreciate people
25 thanking us, but I don't -- we're not right or wrong or

1 anything. It's just a decision that we made. I think, you
2 know, we have a problem that the network will not give us
3 the material ahead of time, so we have to go on what we hear
4 about the program, we talk to the network about it, what we
5 read about it in the press. Sometimes we can get a pre-
6 feed, but on reality programs we can't. So just on the
7 marriage thing we said no deal.

8 COMMISSIONER COPPS: Let me ask you a general
9 question, and if anybody else wants to comment on it perhaps
10 they could.

11 But kind of the message I take from this meeting
12 tonight is people in this community impart great value to
13 localism, and I think they're proud and congratulatory of
14 those broadcast outlets who are nurturing and nourishing
15 localism. And I take away an equally strong feeling that
16 people are, by and large, alarmed that there are serious
17 threats to localism.

18 And as we wind this hearing up, I'm just trying to
19 get clear in my own mind, how do you start to get at
20 something like this? Some say that, you know, we shouldn't
21 be talking too much about structural rules, maybe these
22 ownership rules.

23 But what I'm hearing in this audience is a lot of
24 people are saying that structural rules and loosening the
25 ownership cap that the Commission voted may be pernicious to

1 the cause of localism. Others say that no, that's a
2 cumbersome way to go about spurring the public interest and
3 encouraging the public interest and that there are some
4 sorts of behavioral rules as a whole menu of those.

5 Is there some kind of silver bullet here or are we
6 looking at really a mix whereby we have to address -- if
7 you're going to talk intelligently about localism, we have
8 to address not just the behavioral rules, the licensing
9 renewal and all that, but also be cognizant of the lingering
10 effects of those structural decisions.

11 Let me ask Jim to start with that and anybody else
12 that wants to comment.

13 MR. GOODMON: Right. I think it's a mix. I mean,
14 we have multiple ownership and in many cases it's working
15 fine. I mean, what we're talking about is you all just
16 passed a rule that one company can own 370 television
17 stations.

18 COMMISSIONER COPPS: Don't say you all because I
19 wasn't a part of that.

20 (Laughter.)

21 MR. GOODMON: I mean, I'll tell you, we've got a
22 great group of owners. The question is what is the -- how
23 far do we go with this. And I think most people think we've
24 gone about far enough.

25 I would say that the single most important

1 determinant of how a station operates is who owns it. I
2 mean, it ought to be. Now, you can have all the rules you
3 want to about what your stations are supposed to do, but,
4 you know, the stations reflect the owner.

5 And the larger the owner gets by definition, just
6 by definition, the more the corporate welfare -- the larger
7 it gets, the more the corporate welfare drives the bottom
8 line, which means by definition there'll be less attention
9 to localism. By definition. I mean, that's just an
10 economic definition.

11 I don't think Jim -- I don't think the groups are
12 too big now. I think we've got a good -- I don't think
13 anybody's saying we should go back. I think all we're
14 talking about is how far we want to go. But I think there -
15 - the answer to your question is both; I think we should
16 have both.

17 COMMISSIONER COPPS: Does anyone else care to
18 comment?

19 MR. KEELOR: Well, I agree with Jim; I think the
20 ownership makes the difference. And again, speaking only
21 for our company and I'll give a personal opinion here that
22 some broadcasters would disagree with, but I don't think
23 there's -- every acquisition we've made in the last three
24 years has been a private owner.

25 And we have immediately taken a profit loss in

1 that acquisition because of the cost of a benefits plan,
2 because of the way you wanted to outfit the station, and the
3 way we wanted them to serve the community.

4 But we took that step back knowing when we made
5 those investments, three to five years from now we would be
6 ahead of the game and we were willing to do it. Clearly not
7 a lot of companies can do that. We're in an unusual
8 position.

9 But the statement that I would make is that I
10 think I would be willing to accept additional public defined
11 interest standards if I were allowed to own two television
12 stations in the same market. And I know Commissioner Copps
13 does not favor that position, but let me tell you folks, a
14 lot of these complaints about radio, half the radio stations
15 mentioned wouldn't be on the air today had consolidation not
16 happened, and radio business was out of the business in a
17 period, dead air. Consolidation saved it.

18 Now, some of the things you've heard we don't
19 like; I agree with that. The point is in some television
20 markets that's going to happen if we don't allow
21 consolidation. We need to allow consolidation; it needs to
22 be with the right owners who are willing to make the right
23 commitments.

24 But I have to tell you, I can wake up tomorrow
25 morning and in Columbia, South Carolina where we have had

1 the number one station for fifty years, and I'm really proud
2 of what they do, we are being penalized because under the
3 new rules, the newspaper can buy up a second television
4 station in the market tomorrow morning, the cable system can
5 buy up a third, the radio group in there can buy the fourth,
6 and because I'm the leading station, I can't buy anything.

7 Show me the balance and the fairness and the
8 equity of that. That we have now been penalized under the
9 rules for being the number one station and serving our
10 community. That cannot stand and that's why we're
11 supporting the court action against it.

12 But I would support public interest standards of a
13 defined basis in order to do -- into the middle and small
14 sized markets. That's my position, not maybe my company's
15 position. It certainly isn't probably any of these
16 positions or anybody else's.

17 But I agree with Jim; ownership makes all the
18 difference in the world. And one of the toughest things
19 that's happened is when the FCC changed the rules that
20 allowed the financial players to get into the business, and
21 in three years turn them around and cut them to pieces, then
22 sell them again to somebody else. And there's a whole wave
23 of money out there waiting to do the same damn thing because
24 they've called us.

25 So, I mean, if I were to ask the Commission do

1 anything, it's to look at the responsibility of what an
2 owner has to do, what he has to do to invest in a station,
3 and how long he has to keep it.

4 COMMISSIONER COPPS: And I think that point about
5 public interest standards and DT broadcasters are so
6 integral. And to his credit, the Chairman has done a
7 masterful job in trying to encourage the digital television
8 transition, and getting the mechanics of that straightened
9 away and commitments from the broadcasters and cable and
10 everybody.

11 But here is this gaping hole that you've talked
12 about, the central overriding question, how is the ability
13 to multicast going to be used to benefit the public
14 interest; and we have not done justice to that. I think we
15 are going to get it teed up, I hope we can get it teed up
16 because there's nothing more important we have do.

17 I am certainly willing to stay around here and
18 perhaps some of the panelists are too, but I know some of us
19 have to get home and they have commitments.

20 On behalf of Chairman Powell and Commissioner
21 Adelstein and myself, I want to thank everybody who has been
22 a part of this hearing and the panel. This has been very
23 helpful I think to the Commission and we look forward to
24 doing other hearings around the country.

25 So thank you, Charlotte, and thank you, North

1 Carolina, for helping us.

2 (WHEREUPON, the hearing was concluded at 9:04 P. M.)

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STATE OF NORTH CAROLINA)

COUNTY OF MECKLENBURG)
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 C E R T I F I C A T E

I, JoAnn M. Harris, Official Court Reporter, do hereby certify that the aforesaid proceeding was taken and transcribed by me, and that the foregoing one hundred-fifty (150) pages constitute a verbatim transcription of the testimony of the foregoing proceeding. I do further certify that the persons were present as stated.

I do further certify that I am not of counsel for or in the employment of any of the parties to this action, nor do I have any interest in the result thereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this 7th day of November, 2003.

JoAnn M. Harris
Official Court Reporter